

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1400 - HB 1401

April 12, 2021

SUMMARY OF ORIGINAL BILL: Authorizes mileage expense reimbursement for members of the General Assembly that use a personally owned vehicle other than an automobile for transportation. Establishes that the reimbursement will not exceed the amount that would have been reimbursed had the member traveled by automobile.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (006987): Deletes and rewrites all language after the enacting clause such that the substantive changes are adding language that: 1) effective November 8, 2022, establishes that members will be reimbursed for lodging expenses in an amount equal to the annual average hotel rate for the Central Business District, if obtainable, as provided by the Nashville Convention and Visitors Corporation; and 2) authorizes members whose principal residence is 50 miles or less from the Capitol to be paid a mileage allowance for legislative meetings or functions on Fridays.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - \$400/FY22-23

\$600/FY23-24 and Subsequent Years

Other Fiscal Impact – Any increase in state expenditures resulting from an increase in lodging reimbursement for members of the General Assembly based on the Nashville Convention and Visitors Corporation cannot be estimated with any reasonable certainty at this time.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 3-1-106(c), each member of the General Assembly traveling by the member's personally provided vehicle will be reimbursed at the fixed mileage rate.
- The proposed legislation authorizes a member to receive travel reimbursement for a personally owned vehicle other than an automobile; however, the amount reimbursed

cannot exceed the amount that would have been reimbursed if the member had traveled by automobile.

- The proposed legislation expands the authorization of personally owned vehicles used for travel, but does not alter any fixed reimbursement rate or policies pertaining to mileage.
- Pursuant to Tenn. Code Ann. § 3-1-106(b), a member of the General Assembly will be paid an expense allowance equal to the allowance granted federal employees for expenditure reimbursement for the Nashville area for each legislative day.
- The proposed legislation requires the lodging rate of the expense allowance to be calculated based on the annual average hotel rate for the previous calendar year in the Nashville central business district, as provided by the Nashville Convention and Visitors Corporation or their successor organization; if such rate is unobtainable, lodging expenses will be based on the rate for federal employees.
- Based on the Fiscal Review Committee staff conversations with the Nashville Convention and Visitors Corporation, due to uncertainty of data and the rate impact of the current pandemic, the average rate under the provisions of the proposed legislation is not obtainable at this time.
- According to a survey conducted of hotels rooms in cities with populations of greater than 500,000 released in October 2019, the average hotel rate in Nashville was \$223 per night. The same survey, released in October 2020, found an average rate of \$88 per night.
- The current federal reimbursement for lodging in Nashville is \$234 per night.
- The current federal rate of lodging reimbursement is assumed to suffice for hotel rates as of the effective date of this act; however, as the rate from the Nashville Convention and Visitors Corporation is unavailable, the impact of an increase in reimbursement for members of the General Assembly by November 8, 2022 cannot be estimated with any reasonable certainty at this time.
- Pursuant to Tenn. Code Ann. § 3-1-106(c), a member whose principal residence is 50 miles or less from the Capitol is currently paid a mileage allowance for legislative meetings or functions on a Monday, Tuesday, Wednesday, or Thursday.
- According to Legislative Administration, members whose principal residence is 50 miles or less from the Capitol made 28 trips for legislative meetings or functions on a Friday in 2020.
- The number of trips made by these members for legislative functions or meetings on Fridays is estimated to remain consistent.
- The average roundtrip mileage allowance for a member living 50 miles or less from the Capitol is \$19.95.
- An increase in state expenditures of \$559 (28 x \$19.95).
- Due to an effective date of November 8, 2022, an increase in state expenditures estimated to be \$375 (\$559 x 67.0%) in FY22-23.
- A recurring increase in state expenditures, beginning in FY23-24, of \$559.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The script is cursive and fluid.

Krista Lee Carsner, Executive Director

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